STATE OF IDAHO DEPARTMENT OF WATER RESOURCES

Kevin Lakey Watermaster

WATER DISTRICT NO. 37 & 37M

107 WEST 1ST SHOSHONE, IDAHO 83352 (208) 886-2451

To: David Murphy

Deputy Watermaster, Big Wood River Above Magic Reservoir

June 28, 2007

David,

At the Water District Advisory Board meeting on June 27, 2007, there was discussion about your serving as a private consultant to water users within the district. Board members as well as water users at the meeting expressed concern about there being a conflict of interest.

I am reminding you that as Deputy Watermaster of District 37, you serve all water users within the District not just a select group. You must walk a fine line between protecting all water rights while at the same time investigating misappropriated rights. As Deputy Watermaster, you can give data but to give a biased opinion would be inappropriate.

If you serve as a private consultant, you must do it on your own time. You must be cautious to remember in which capacity you are serving and when. If you give an opinion, it is as a private consultant not as a Deputy Watermaster. You will be walking an extremely tight rope.

Water District 37 appreciates the extreme effort you have exerted in investigating its water rights, but the District will not allow one of its employees to show prejudice for one group of water users over another.

To acknowledge your receiving this letter and that it will be placed in your employment file, you are asked to sign below.

Respectfully,

Kevin Lakey

Watermaster, Districts 37 & 37M

David Murphy

Deputy Watermaster